

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6574

BILL NUMBER: HB 2147

DATE PREPARED: Mar 29, 2001

BILL AMENDED: Mar 29, 2001

SUBJECT: Administrative Rules.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9853

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that the date for the automatic expiration of an administrative rule is extended each time that the rule is amended and that the rule, as amended, expires on January 1 of the seventh year after the year in which the amendment takes effect. The bill requires an agency to solicit comments every 7 years to determine whether the rule is in compliance with current state and federal laws and regulations governing implementation or operation of the program for which rules are established. This bill provides that if the agency determines that the rule is not in compliance, the agency shall initiate a rulemaking action to bring the rule into compliance.

Effective Date: (Amended) Upon passage; July 1, 2001.

Explanation of State Expenditures: (Revised) This bill makes two changes to the sunset provisions related to administrative rules.

1) Under current law, as interpreted by the Office of the Attorney General, the majority of the administrative rules in place as of December 13, 1995, will expire on January 1, 2002, even if the rule has been amended during that period. This bill extends the date an amended rule expires to January 1 of the seventh year after the year in which the amendment takes place.

2) The bill also exempts rules from the sunset provision if the rule is required for the state to receive or maintain delegation, primacy, or approval for state implementation of a federal program or for the state to receive federal funding. (For rules which are exempted from the sunset provisions by this bill, agencies are required to solicit comments to determine if the rule remains in compliance with federal and state laws every seven years. If it is determined that the rule is not in compliance, the concerned agency is required to initiate rule making proceedings.)

To the extent that this bill could reduce the frequency in which agencies are required to develop new rules

to replace those which are expired, this bill may reduce the administrative costs of agencies that have the authority to promulgate rules.

Explanation of State Revenues: (Revised) This bill could have an impact on state revenue in so far as it exempts rules from the sunset provision if the rule is required to instigate or continue federal funding.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Agencies with rule making authority.

Local Agencies Affected:

Information Sources: Nancy King, Rules Division, Indiana Department of Environmental Management, 232-7694.